

**LIBRARY OF MICHIGAN**

**FINANCIAL MANAGEMENT REFERENCE GUIDE**



**Library of  
Michigan**

**Prepared by Plante & Moran, LLP**

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Glossary of Terms

The Financial Management Reference Guide was developed to provide library directors, staff and board members with helpful information for performing accounting and financial management functions. The guide is intended to answer frequently asked questions, describe common practices and processes, provide examples and suggested formats for selected financial reports and help individuals recognize issues that may require outside assistance.

The guide has been organized to cover detailed accounting topics in the early chapters (e.g. Accounting for Libraries and Fund Balance) and to cover the financial management topics (e.g. Investments and Financing) in later chapters. Further, an attempt has been made to arrange each chapter such that summary information is provided up front with more detailed information and exhibits to follow.

Although the guide has relevant information for libraries of various types and sizes, it is more focused toward governmental unit libraries. Although the Reference Guide provides basic information and is a helpful tool, it is not possible for it to cover every anticipated question on library accounting and finance. Seek assistance, as needed, from your accounting and legal advisors.

Below is a broad overview of the elements of accounting and financial reporting, and the chapters that follow will provide information on how the elements are summarized and provide building blocks for the annual audited financial report.

#### ACCOUNTING AND FINANCIAL REPORTING

